

**EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES**  
First Regular Session



**Senate**  
Office of the Secretary

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**SENATE**

RECEIVED BY: *J*

**S. B. NO. 156**

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Introduced by **SENATOR JOEL VILLANUEVA**

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**AN ACT  
REQUIRING THE IMPLEMENTATION BY BRAND OWNERS OF  
MANAGEMENT PLANS THAT PROVIDE REFUND VALUES  
FOR CERTAIN BEVERAGE CONTAINERS**

**EXPLANATORY NOTE**

Beverage containers, including caps and labels, can easily end up in landfills, dumpsites, or oceans and other body of water in the absence of a proper recovery system. This poses not only ecological hazard to wildlife, but also public health risks.

In 2017, a team of scientists discovered a total of 36 tiny pieces of plastic in the bodies of 120 mackerel, anchovies, mullets and croakers, fishes which are eaten by humans.<sup>1</sup> Meanwhile, a body of a rare fish called coelacanth washed up in Indonesia with food wrappers around its intestines,<sup>2</sup> while a body of a pregnant whale shark was found with 50 pounds of plastic in her stomach.<sup>3</sup> These are just a few of the alarming number of reports of marine creatures that have died because of plastics in the ocean.

Thus, the government needs to strengthen existing mechanisms for effective recovery, disposal, and management of beverage containers by

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<sup>1</sup> 2017, July 26. Plastic microparticles found in flesh of fish eaten by humans. Retrieved from: <https://www.independent.co.uk/environment/plastic-microparticles-fish-flesh-eaten-humans-food-chain-mackerel-anchovy-mullet-a7860726.html> (date last accessed: June 26, 2019)

<sup>2</sup> 2018, August 12. Death by plastic waste. Retrieved from: <https://theaseanpost.com/article/death-plastic-waste> (date last accessed: June 26, 2019)

<sup>3</sup> 2019, April 2. This pregnant whale died with 50 pounds of plastic in her stomach. Retrieved from: <https://www.nationalgeographic.com/environment/2019/04/dead-pregnant-whale-plastic-italy/> (date last accessed: June 26, 2019)

creating adequate incentives for consumers to reuse and recycle beverage containers.

In recognition of the greater role that the beverage industry needs to play towards this end, this bill requires the industry to prepare, submit, and implement a management plan that sets out an effective disposal mechanism and accounting of beverage containers. This bill also seeks to further encourage proper disposal of beverage containers among consumers by institutionalizing a refund mechanism. This mechanism mandates that individuals who return beverage containers to designated sites get an amount which shall not be less than Five Pesos, thus creating incentives for proper disposal among the general public.

The immediate passage of this bill is earnestly sought.

  
SENATOR JOEL VILLANUEVA



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CERTAIN BEVERAGE CONTAINERS**

*Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:*

1 **SECTION 1. Short Title.** – This Act shall be known as the "Beverage  
2 Container Disposal Act."  
3

4 **SEC. 2. Definition of Terms.** – For purposes of this Act, the following terms  
5 are hereby defined:  
6

7 a. **Beverage** refers to non-alcoholic or alcoholic carbonated or non-  
8 carbonated liquid that is intended for human consumption;  
9

10 b. **Beverage container** refers to those constructed primarily of metal,  
11 glass, plastic, or paper (or a combination of those materials) and  
12 has a capacity of not more than two gallons of liquid;  
13

14 c. **Beverage container agency** refers to the following:  
15

- 16 1. brand owner; or  
17 2. an entity appointed by the brand owner to act as an agent on  
18 behalf of the brand owner;  
19

20 d. **Brand owner** refers to a person that owns the trademark for,  
21 manufactures, distributes, or imports for resale in interstate  
22 commerce, a beverage sold in a beverage container;



- 1 e. **Department** means the Department of Environment and Natural  
2 Resources;  
3  
4 f. **Management plan** refers to the document submitted in accordance  
5 with Section 5 of this Act;  
6  
7 g. **Recovery rate** is the percentage obtained by dividing:  
8  
9 1. the number of beverage containers of a brand owner returned for  
10 a refund under Section 11(b)(2) in a calendar year; by  
11 2. the number of beverage containers of the brand owner for which  
12 a deposit was collected under Section 11(a) in the calendar year;  
13  
14 h. **Refund value** means the value of a beverage container determined  
15 in accordance with Section 11(b)(2) of this Act;  
16  
17 i. **Return site** refers to an operation, facility, retail store, or an  
18 association of operations, facilities, or retail stores identified in an  
19 approved management plan and is operating under contract entered  
20 into by the return site and a beverage container agency to collect and  
21 redeem empty beverage containers of one (1) or more brand owners;  
22  
23 j. **Seller** refers to a person that sells a beverage in a beverage  
24 container and shall include all members of the supply chain;  
25  
26 k. **Unbroken beverage container** includes a beverage container that  
27 has been opened in a manner in which the beverage container was  
28 designed to be opened.  
29

30 **SEC. 3. Responsibilities of the Brand Owner.** – Each brand owner shall  
31 implement an effective redemption, transportation, processing, marketing, and  
32 reporting system for the reuse and recycling of used beverage containers of the  
33 brand owner; *Provided*, That no brand owner or beverage container agency  
34 shall dispose of any beverage container labeled in accordance with Section 4  
35 in any landfill or other solid waste disposal facility.

36 **SEC. 4. Beverage Container Labelling.** – No brand owner may sell or offer  
37 for sale a beverage in a beverage container unless a statement of the refund  
38 value of the beverage container, as defined under the implementing rules and  
39 regulations issued pursuant to this Act, is clearly, prominently, and securely  
40 affixed to, printed on, or embossed on the beverage container.

1 regulations issued pursuant to this Act, is clearly, prominently, and securely  
2 affixed to, printed on, or embossed on the beverage container.

3 **SEC. 5. Submission of Management Plan.** – Not later than 180 days after  
4 the approval of this Act or within 60 days after its due incorporation, each  
5 beverage container agency shall submit to the Department:

- 6
- 7 a) a management plan, in such form as the Department may prescribe,  
8 for the collection, transport, reuse, and recycling of beverage  
9 containers that the beverage container agency, or that each brand  
10 owner represented by the beverage container agency, sells into the  
11 domestic market; and
- 12
- 13 b) a fee, in such amount as the Department may establish by regulation,  
14 to cover administrative costs relating to the administration of the  
15 management plan.
- 16

17 **SEC. 6. Content of Management Plan.** –

- 18
- 19 a) The management plan submitted under Section 5 of this Act shall  
20 contain the following information:

- 21
- 22 1) the name, and address for service of process, of the beverage  
23 container agency submitting the management plan;
- 24
- 25 2) the name and title of a contact person at the beverage container  
26 agency;
- 27
- 28 3) the name and corporate address of each brand owner covered  
29 by the management plan;
- 30
- 31 4) a proposed implementation date for the management plan; and
- 32
- 33 5) appropriate documentation of agreements entered into by the  
34 beverage container agency and return site operators that is valid  
35 and subsisting on the date of the implementation of the  
36 management plan;
- 37

- 38 b) The beverage container agency shall also provide in the management  
39 plan the description of the following:

- 40
- 41 1) ways in which the beverage container agency intends to make  
42 the use of return sites convenient for consumers of beverages  
43 covered by the management plan in all areas of commerce;
- 44



1                   2) ways in which the beverage container agency intends to  
2                   achieve, not later than two (2) years after the date of the  
3                   implementation of the management plan, a recovery rate of at  
4                   least eighty percent (80%); and  
5

6                   3) ways in which the beverage container agency will manage  
7                   beverage containers returned under the management plan in an  
8                   environmentally responsible manner.

9                   c) Each beverage container agency that submits a management plan  
10                  under this Section shall promptly notify the Department, in writing, of  
11                  any change in the information provided under this Section.

12 **SEC. 7. Approval of Management Plan.** – The Department shall approve or  
13 disapprove each management plan submitted under this section within 10  
14 working days from complete submission of all required documents. In  
15 determining whether to approve or disapprove a management plan, the  
16 Department may return the management plan to the beverage container  
17 agency with a request for additional information or with amendments  
18 proposed by the Department.

19 If the Department disapproves a management plan, the Department shall, not  
20 later than 60 days after the date of disapproval, provide to the beverage  
21 container agency that submitted the management plan a written explanation  
22 of the reasons for disapproval.

23 **SEC. 8. Implementation of Management Plan.** –  
24

25                  a) A brand owner that, on or before the date of the enactment of this Act,  
26                  is selling a beverage in a beverage container, shall:

27  
28                   1) not later than 180 days after the date of enactment of this Act,  
29                   have in effect a management plan that has been approved by  
30                   the Department; and  
31

32                   2) implement the management plan in accordance with the  
33                   implementation date proposed in the management plan under  
34                   Section 6(a)(4) of this Act.  
35

36                  b) A brand owner that proposes, after the date of enactment of this Act, to  
37                  sell a beverage in a beverage container shall:

38  
39                   1) have, as of the date on which the brand owner commences the  
40                   selling of the beverage, a management plan that has been  
41                   approved by the Department; and  
42

- 1                   2) implement the management plan in accordance with the  
2                   implementation date proposed in the management plan under  
3                   Section 6(a)(4) of this Act.  
4

5   No brand owner shall sell any beverage in a beverage container except as in  
6   accordance with subsection (a) or (b), as appropriate; or on or after the  
7   implementation date proposed in a management plan of the brand owner  
8   under Section 6(a)(4), if the Department has not approved the management  
9   plan.  
10

11 **SEC. 9. Reporting.** – Each beverage container agency, the management  
12 plan of which, has been duly approved and implemented in accordance with  
13 this Act shall, not later than March 31 of each year after the implementation  
14 date of the management plan, submit to the Department a report detailing the  
15 effectiveness of the management plan during the preceding calendar year.  
16

17 The report to be submitted by the beverage container agency shall contain,  
18 but not be limited to, the following information:  
19

- 20       a) for each type of beverage container returned, the recovery rate,  
21       expressed as a percentage, audited by an entity independent of the  
22       beverage container agency; and  
23  
24       b) annual financial statements, prepared by an entity independent of the  
25       beverage container agency, of all deposits received and refunds paid  
26       by each brand owner subject to the management plan.  
27

28 The Department may make available to the public the information described in  
29 this Section.  
30

31 **SEC. 10. Refund.** –  
32

- 33       a) On and after the implementation date of an approved management  
34       plan, a beverage container return site covered by the management  
35       plan shall:  
36

37               1) accept unbroken beverage containers for return; and  
38

39               2) pay to a person returning beverage containers an amount in  
40               cash that is equal to the total of the refund values affixed to,  
41               printed on, or embossed on, each container returned by the  
42               person.  
43

44 A return site shall not be required to accept or pay a refund for a beverage  
45 container under this section if, as determined by the return site, the beverage  
46 container:



- 1  
2 a) is contaminated or, for hygienic reasons, is unsuitable for recycling;  
3  
4 b) can be reasonably identified as a container that was purchased outside  
5 the Philippines; or  
6  
7 c) cannot be reasonably identified as a container to which this Act  
8 applies.  
9

10 **SEC. 11. Refund Value. –**  
11

- 12 a) Effective January 1, 2020, the refund value of a beverage container  
13 shall not be lower than Five Pesos (Php5.00).  
14  
15 b) The refund value of a beverage container under subsection (a) shall be  
16 updated on the date that is five (5) years after the date of enactment of  
17 this Act, and every five (5) years thereafter, to reflect changes during  
18 those periods in the Consumer Price Index for all published by the  
19 Philippine Statistics Authority; *Provided, That* any refund value  
20 adjustment made in accordance with this subsection shall be rounded  
21 to the nearest 50-cent increment.  
22

23 **SEC. 12. Recovery Rates. –** In the event that a brand owner that complies  
24 with each provision of this Act fails to achieve a recovery rate of at least 80  
25 percent during a calendar year, the Department may require that the  
26 beverage container agency of the concerned brand owner pay an amount  
27 equal to the difference between:  
28

- 29 a) the amount of deposits collected on beverage containers of the brand  
30 owner that were sold; and  
31  
32 b) the amount of refunds paid on those beverage containers.  
33

34 **SEC. 13. Penalties. –** A beverage container agency that fails to submit a  
35 management plan within the time prescribed under this Act shall be subject to  
36 a fine ranging from P100,000 to P10,000,000. A corresponding increase in the  
37 amount of the imposable fine shall be increased for each day of violation. The  
38 Department may, in proper proceedings and upon compliance with due  
39 process of law, may suspend or revoke the appropriate environmental  
40 licenses of the concerned beverage container agency.  
41

42 **SEC. 14. Report by the Department. –** Not later than May 31 of each year,  
43 the Department shall submit to the Congress a report that describes:  
44

- 45 a) the recovery rate for beverage containers during the year covered by  
46 the report; and



1  
2 b) the extent to which beverage container collection is proceeding in  
3 accordance with this Act.  
4

5 **SEC. 15. Transitory Provision.** – A special financial support for displaced  
6 workers in the solid waste disposal industry shall be allocated and included in  
7 the appropriations under the Technical Education and Skills Development  
8 Authority (TESDA) to finance the training programs of displaced workers, to  
9 be included in the General Appropriations Acts annually.  
10

11 **SEC. 16. Implementing Rules and Regulations.** – The Department, in  
12 consultation with relevant stakeholders shall issue within sixty (60) days after  
13 the effectivity of this Act, the rules and regulations for the effective  
14 implementation of this Act.  
15

16 **SEC. 17. Separability Clause.** – If any provision of this Act or any part  
17 thereof shall be declared unconstitutional or invalid, the other provisions, as  
18 far as they are separable, shall remain in force and effect.  
19

20 **SEC. 18. Repealing Clause.** – All laws, decrees, orders, rules and  
21 regulations or parts thereof which are inconsistent with the provisions of this  
22 Act are hereby repealed, amended or modified accordingly.  
23

24 **SEC. 19. Effectivity.** – This Act shall take effect fifteen (15) days after its  
25 publication in the Official Gazette or in at least two (2) newspapers of general  
26 Circulation.

27 **Approved,**  
28